

107TH CONGRESS  
2D SESSION

# H. R. 4231

To improve small business advocacy, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

APRIL 16, 2002

Mr. MANZULLO (for himself and Ms. VELÁZQUEZ) introduced the following bill; which was referred to the Committee on Small Business

---

## A BILL

To improve small business advocacy, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Small Business Advo-  
5       cacy Improvement Act of 2002”.

6       **SEC. 2. FINDINGS AND PURPOSES.**

7       (a) FINDINGS.—Congress finds the following:

8               (1) Excessive regulations continue to burden  
9       the Nation’s small businesses.

10              (2) Federal agencies continue to propose regu-  
11       lations that impose disproportionate burdens on  
12       small businesses.

1           (3) An independent office of small business ad-  
2           vocacy will help to ensure that Federal agencies are  
3           responsive to small businesses and that those agen-  
4           cies comply with their statutory obligations with re-  
5           spect to small businesses.

6           (4) The independence of an office that acts as  
7           an advocate for small businesses is essential to en-  
8           sure that it can serve as an effective advocate with-  
9           out being restricted by the views or policies of the  
10          Small Business Administration or any other Federal  
11          executive branch agency.

12          (5) To be effective an office that acts as an ad-  
13          vocate for small businesses needs sufficient resources  
14          to conduct creditable economic studies and research  
15          which are necessary for the maintenance of small  
16          business databases and for the accurate assessment  
17          of the impact of regulations on small businesses, the  
18          role of small business in the Nation's economy, and  
19          the barriers to the growth of small businesses.

20          (6) The research, information, and expertise  
21          provided by an independent office of small business  
22          advocacy will be a valuable source of information  
23          and advice for Congress and Federal agencies with  
24          which the office will work on behalf of small busi-  
25          nesses.

1 (b) PURPOSES.—The purposes of this Act are—

2 (1) to ensure that there exists an entity that  
3 has the statutory independence and adequate finan-  
4 cial resources to effectively advocate for and on be-  
5 half of small business;

6 (2) to require that such an entity report to the  
7 Chairmen and Ranking Members of the Committee  
8 on Small Business of the House of Representatives  
9 and the Committee on Small Business and Entrepre-  
10 neurship of the Senate, and to the Administrator of  
11 the Small Business Administration in order to keep  
12 them fully and currently informed about issues and  
13 regulations affecting small business concerns and the  
14 necessity for corrective action by the regulatory  
15 agency or Congress;

16 (3) to provide a separate authorization for ap-  
17 propriations for such an entity; and

18 (4) to strengthen the role of the Small Business  
19 and Agriculture Regulatory Enforcement Ombuds-  
20 man by ensuring greater cooperation between the  
21 Ombudsman and the Office of Advocacy of the  
22 Small Business Administration.

23 **SEC. 3. APPOINTMENT OF CHIEF COUNSEL OF ADVOCACY.**

24 (a) IN GENERAL.—Section 201 of Public Law 94—  
25 305 (15 U.S.C. 634a) is amended—

1           (1) by inserting “(a)” before “There is estab-  
2       lished”;

3           (2) by striking the second sentence; and

4           (3) by adding at the end the following:

5       “(b) The management of the Office shall be vested  
6 in a Chief Counsel for Advocacy who shall be appointed  
7 from civilian life by the President, by and with the advice  
8 and consent of the Senate, without regard to political af-  
9 filiation and solely on the ground of fitness to perform  
10 the duties of the office.

11       “(c) No individual may be appointed under sub-  
12 section (b) if such individual has served as an officer or  
13 employee of the Small Business Administration during the  
14 5-year period preceding the date of such individual’s ap-  
15 pointment.

16       “(d) Any Chief Counsel appointed after the date of  
17 the enactment of this subsection shall be paid at a rate  
18 not to exceed the rate of basic pay for level III of the  
19 Executive Schedule.

20       “(e) After the expiration of the term of a President,  
21 the Chief Counsel may continue to serve at the pleasure  
22 of the President for a period of not to exceed one year  
23 until such date as a successor to the Chief Counsel is nom-  
24 inated.”.

1 (b) INCUMBENT CHIEF COUNSEL FOR ADVOCACY.—

2 The individual serving as the Chief Counsel for Advocacy  
3 of the Small Business Administration on the date of the  
4 enactment of this Act shall continue to serve in that posi-  
5 tion after such date in accordance with section 201 of  
6 Public Law 94–305 (15 U.S.C. 634a), as amended by this  
7 section.

8 **SEC. 4. PRIMARY FUNCTIONS OF OFFICE OF ADVOCACY.**

9 Section 202 of Public Law 94–305 (15 U.S.C. 634b)  
10 is amended—

11 (1) in paragraph (6) by striking “to minority  
12 enterprises” and inserting “to small business con-  
13 cerns owned and controlled by socially and economi-  
14 cally disadvantaged individuals, to small business  
15 concerns owned and controlled by women, and to  
16 small business concerns owned and controlled by vet-  
17 erans”;

18 (2) in paragraph (7) by striking “minority en-  
19 terprises” and inserting “small business concerns  
20 owned and controlled by socially and economically  
21 disadvantaged individuals, small business concerns  
22 owned and controlled by women, and small business  
23 concerns owned and controlled by veterans”;

24 (3) in paragraph (8) by striking “minority and  
25 other small business enterprises” and inserting

1 “small business concerns owned and controlled by  
2 socially and economically disadvantaged individuals,  
3 small business concerns owned and controlled by  
4 women, small business concerns owned and con-  
5 trolled by veterans, and other small businesses”;

6 (4) in paragraph (9) by striking “complete”  
7 and inserting “compete”;

8 (5) by striking paragraph (11);

9 (6) by redesignating paragraph (12) as para-  
10 graph (11);

11 (7) in paragraph (11) (as so redesignated)—

12 (A) by striking “serviced-disabled” and in-  
13 serting “service-disabled”; and

14 (B) by striking the period at the end and  
15 inserting “; and”; and

16 (8) by adding at the end the following:

17 “(12) make recommendations and submit re-  
18 ports to the President, to the Chairmen and Rank-  
19 ing Members of the Committee on Small Business of  
20 the House of Representatives and the Committee on  
21 Small Business and Entrepreneurship of the Senate,  
22 and to the Administrator of the Small Business Ad-  
23 ministration, with respect to issues and regulations  
24 affecting small businesses and the necessity for cor-

1       rective action by any Federal agency or by Con-  
2       gress.”.

3   **SEC. 5. ADDITIONAL FUNCTIONS.**

4       (a) IN GENERAL.—Section 203 of Public Law 94–  
5   305 (15 U.S.C. 634c) is amended—

6           (1) by inserting “(a)” before “The Office of Ad-  
7       vocacy shall also perform”; and

8           (2) in subsection (a) (as so designated)—

9               (A) in paragraph (4) by striking “and” at  
10       the end;

11               (B) in paragraph (5) by striking the period  
12       at the end and inserting a semicolon; and

13               (C) by adding at the end the following:

14           “(6) maintain economic databases and make  
15       the information contained therein available to the  
16       Administrator of the Small Business Administration  
17       and to Congress;

18           “(7) carry out the responsibilities of the Chief  
19       Counsel under chapter 6 of title 5, United States  
20       Code; and

21           “(8) enter into a memorandum of under-  
22       standing with the Small Business and Agriculture  
23       Regulatory Enforcement Ombudsman regarding  
24       methods and procedures for cooperation between the  
25       Ombudsman and the Office of Advocacy and trans-

1 mit a copy of such memorandum to the Committee  
2 on Small Business of the House of Representatives  
3 and the Committee on Small Business and Entrepre-  
4 neurship of the Senate.”.

5 (b) APPROPRIATION REQUEST.—Section 203 of Pub-  
6 lic Law 94–305 (15 U.S.C. 634c) is further amended by  
7 adding at the end the following:

8 “(b) On or before October 15 of the year preceding  
9 the beginning of each fiscal year, the Chief Counsel shall  
10 transmit to the President the estimated expenditures and  
11 proposed appropriations for the Office of Advocacy, which  
12 shall be included by the President in the Budget without  
13 revision.”.

14 **SEC. 6. DEPUTY CHIEF COUNSELS AND REGIONAL ADVO-**  
15 **CATES.**

16 Section 204 of Public Law 94–305 (15 U.S.C. 634d)  
17 is amended—

18 (1) by inserting “(a)” before “In carrying out”;

19 and

20 (2) by adding at the end the following:

21 “(b)(1) The Chief Counsel may appoint 2 individuals  
22 to serve as Deputy Chief Counsels.

23 “(2) Notwithstanding any other provision of this sec-  
24 tion, the pay rate for each Deputy Chief Counsel may not



1 exceed the rate of basic pay for level III of the Senior  
2 Executive Service.

3 “(3) Individuals appointed to positions under this  
4 subsection shall not be counted toward the limitation con-  
5 tained in subsection (a)(1) regarding the number of indi-  
6 viduals who may be compensated at a rate in excess of  
7 the lowest rate for GS–15 of the General Schedule.

8 “(c) The Chief Counsel may appoint regional advo-  
9 cates within each Standard Federal Region as appro-  
10 priate. Such regional advocates shall—

11 “(1) assist in examining the role of small busi-  
12 ness in the economy of the United States by identi-  
13 fying academic and other research institutions that  
14 focus on small business concerns and linking these  
15 research resources to research activities conducted  
16 by the Office of Advocacy;

17 “(2) assist in representing the views and inter-  
18 ests of small business concerns before Federal agen-  
19 cies whose policies and activities may affect small  
20 business;

21 “(3) in coordination with the Small Business  
22 and Agriculture Regulatory Enforcement Ombuds-  
23 man, assist the functioning of regional small busi-  
24 ness fairness boards;

1           “(4) assist in enlisting the cooperation and as-  
2           sistance of public and private agencies, businesses,  
3           and other organizations in disseminating information  
4           about the programs and services provided by the  
5           Federal Government that are of benefit to small  
6           business concerns and the means by which small  
7           business concerns can participate in or make use of  
8           such programs and services; and

9           “(5) carry out such duties pursuant to the mis-  
10          sion of the Office of Advocacy as the Chief Counsel  
11          may assign.”.

12   **SEC. 7. OVERHEAD AND ADMINISTRATIVE SUPPORT.**

13          Section 205 of Public Law 94–305 (15 U.S.C. 634e)  
14   is amended by inserting before “Each department” the  
15   following:

16          “(a) The Administrator of the Small Business Ad-  
17   ministration shall provide the Office of Advocacy with ap-  
18   propriate and adequate office space at central and field  
19   office locations of the Administration, together with such  
20   equipment, office supplies, communications facilities, and  
21   personnel and maintenance services as may be necessary  
22   for the operation of such offices.

23          “(b)”.

1 **SEC. 8. REPORTS.**

2 Section 206 of Public Law 94–305 (15 U.S.C. 634f)  
3 is amended by striking “The Chief Counsel may” and all  
4 that follows through “on his activities.” and inserting the  
5 following:

6 “(a) Not less than annually, the Chief Counsel shall  
7 submit to the President, the Committee on Small Business  
8 of the House of Representatives, the Committee on Small  
9 Business and Entrepreneurship of the Senate, the Com-  
10 mittee on Government Affairs of the Senate, the Com-  
11 mittee on Government Reform of the House of Represent-  
12 atives, and the Committees on the Judiciary of the Senate  
13 and the House of Representatives, and the Administrator  
14 of the Small Business Administration a report on agency  
15 compliance with chapter 6 of title 5, United States Code.

16 “(b) In addition to the reports required by this title,  
17 the Chief Counsel may prepare and publish such other re-  
18 ports as the Chief Counsel determines appropriate.

19 “(c)”.

20 **SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

21 Section 207 of Public Law 94–305 (15 U.S.C. 634g)  
22 is amended by striking “not to exceed \$1,000,000” and  
23 inserting “\$10,000,000 for fiscal year 2003, \$12,000,000  
24 for fiscal year 2004, and \$14,000,000 for fiscal year  
25 2005”.

1 **SEC. 10. CONFORMING AMENDMENTS.**

2 (a) EXECUTIVE PAY SCHEDULE.—Title 5, United  
3 States Code, is amended—

4 (1) in section 5314 by adding at the end the  
5 following:

6 “Chief Counsel for Advocacy, Small Business  
7 Administration.”; and

8 (2) in section 5315 by striking the following:

9 “Chief Counsel for Advocacy, Small Business  
10 Administration.”.

11 (b) RURAL TOURISM TRAINING PROGRAM.—Section  
12 311 of the Small Business Administration Reauthorization  
13 and Amendments Act of 1990 (15 U.S.C. 653 note; 104  
14 Stat. 2832) is amended by striking “Chief Counsel for Ad-  
15 vocacy” and inserting “Administrator”.

16 (c) SMALL BUSINESS AND AGRICULTURE REGU-  
17 LATORY ENFORCEMENT OMBUDSMAN.—Section 30(b)(2)  
18 of the Small Business Act (15 U.S.C. 657(b)(2)) is  
19 amended—

20 (1) in subparagraph (D), by striking “and” at  
21 the end;

22 (2) in subparagraph (E), by striking the period  
23 and inserting “; and”; and

24 (3) by adding at the end the following:

25 “(F) enter into a memorandum of under-  
26 standing with the Office of Advocacy regarding

1            methods and procedures for cooperation be-  
2            tween the Ombudsman and the Office of Advo-  
3            cacy.”.

○